

## Subpart A—Responsibilities Under Executive Order 12073

AUTHORITY: 41 U.S.C. 10a, *et seq.*; 29 U.S.C. 49 *et seq.*; 15 U.S.C. 644(n); E.O. 12073; 10582, as amended by E.O. 11051 and 12148.

### § 654.1 Purpose of subpart.

This subpart implements the responsibilities of the Secretary of Labor in classifying labor surplus areas in accordance with Executive Order 12073 (Federal Procurement in Labor Surplus Areas). The Secretary of Labor has delegated responsibilities to the Assistant Secretary, Employment and Training Administration.

[44 FR 1689, Jan. 5, 1979, as amended at 48 FR 15616, Apr. 12, 1983]

### § 654.3 Description of Executive Order 12073.

Executive Order 12073 requires executive agencies to emphasize procurement set-asides in labor surplus areas. The Secretary of Labor is responsible under this order for classifying and designating labor surplus areas.

[44 FR 1689, Jan. 5, 1979, as amended at 48 FR 15616, Apr. 12, 1983]

### § 654.4 Definitions.

(a) *Assistant Secretary* shall mean Assistant Secretary for Employment and Training, U.S. Department of Labor.

(b) *Civil jurisdiction* shall mean:

(1) Cities of 25,000 or more population on the basis of the most recently available Bureau of the Census estimates; or

(2) Towns and townships in the States of New Jersey, New York, Michigan, and Pennsylvania of 25,000 or more population and which possess powers and functions similar to cities; or

(3) All counties, except those counties which contain any of the types of political jurisdictions defined in paragraphs (b) (1) and (2) of this section; or

(4) All other counties are defined as “balance of county” (*i.e.*, total county less component cities and townships identified in paragraphs (b) (1) and (2) of this section); or

(5) County equivalents which are towns in the States of Massachusetts, Rhode Island and Connecticut.

(c) *Labor surplus area* shall mean a civil jurisdiction that, in accordance with the criteria specified in § 654.5, has been classified as a labor surplus area.

(d) *Reference period* shall mean the two year period ending December 31 of the year prior to the October 1 annual date of eligibility determination.

[44 FR 1689, Jan. 5, 1979, as amended at 44 FR 26071, May 5, 1979; 48 FR 15616, Apr. 12, 1983; 53 FR 23347, June 21, 1988]

### § 654.5 Classification of labor surplus areas.

(a) *Basic criteria.* The Assistant Secretary shall classify a civil jurisdiction as a labor surplus area whenever, as determined by the Bureau of Labor Statistics, the average unemployment rate for all civilian workers in the civil jurisdiction for the reference period is (1) 120 percent of the national average unemployment rate for civilian workers or higher for the reference period as determined by the Bureau of Labor Statistics, or (2) 10 percent or higher. No civil jurisdiction shall be classified as a labor surplus area if the average unemployment rate for all civilian workers for the reference period is less than 6.0 percent.

(b) *Criteria for exceptional circumstances.* The Assistant Secretary, upon petition submitted by the appropriate State employment security agency, may classify a civil jurisdiction, a Metropolitan Statistical Area, or a Primary Metropolitan Statistical Area as a labor surplus area whenever such an area meets or is expected to meet the unemployment tests established under § 654.5(a) as a result of exceptional circumstances. For purposes of this paragraph “exceptional circumstances” shall mean catastrophic events, such as natural disasters, plant closings, and contract cancellations expected to have a long-term impact on labor market area conditions, discounting temporary or seasonal factors. For purposes of this paragraph, “Metropolitan Statistical Area” and “Primary Metropolitan Statistical Area” shall mean the areas officially

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defined and designated as such by the Office of Management and Budget.

(Approved by OMB under control number 1205-0207)

[48 FR 15616, Apr. 12, 1983, as amended at 53 FR 23347, June 21, 1988]

### § 654.6 Termination of classification.

(a) *Basic procedure.* The Assistant Secretary shall terminate the classification of a civil jurisdiction as a labor surplus area after any year in which the Assistant Secretary determines that the criteria established under § 654.5 (a) are no longer met.

(b) *Procedure for exceptional circumstances.* The Assistant Secretary shall terminate the classification of a civil jurisdiction classified as a labor surplus area pursuant to the provisions of § 654.5(b) after any year in which the Assistant Secretary determines that the exceptional circumstances criteria of that paragraph are no longer met.

[44 FR 1689, Jan. 5, 1979, as amended at 48 FR 15616, Apr. 12, 1983]

### § 654.7 Publication of area classifications.

The Assistant Secretary shall publish annually a list of labor surplus areas together with geographic descriptions thereof. The Assistant Secretary periodically may cause these lists to be published in the Federal Register.

[44 FR 1689, Jan. 5, 1979, as amended at 48 FR 15616, Apr. 12, 1983]

### § 654.8 Services to firms and individuals in labor surplus areas.

To carry out the purposes and policy objectives of Executive Order 12073 and Executive Order 10582, the Assistant Secretary shall cooperate with and assist the State employment service agencies and the Secretary of Commerce, as appropriate, to:

(a) Provide relevant labor market data and related economic information to assist in the initiation of industrial expansion programs in labor surplus areas;

(b) Identify upon request the skills and numbers of unemployed persons available for work in labor surplus areas, providing such information to firms interested in establishing new plants and facilities or expanding ex-

isting plants and facilities in such areas;

(c) Identify the occupational composition and skill requirements of industries contemplating locating in labor surplus areas and make such information available to training and apprenticeship agencies and resources in the community for purposes of appropriate training and skill development;

(d) Identify unemployed individuals in need of, and having the potential for, training in occupations and skills required by new or expanding industries and refer such individuals to appropriate training opportunities;

(e) Receive job openings on a voluntary basis and/or under the mandatory listing program provided by 38 U.S.C. 2012 and Executive Order 11701 and refer qualified unemployed workers to such openings, making appropriate efforts to refer to such openings qualified individuals who reside in the labor surplus area.

[44 FR 1689, Jan. 5, 1979, as amended at 48 FR 15616, Apr. 12, 1983]

### § 654.9 Filing of complaints.

Complaints alleging that the Department of Labor has violated the labor surplus area regulations should be mailed to the Assistant Secretary for Employment and Training, U.S. Department of Labor, Washington, DC 20210. Such complaints should include: (a) The allegations of wrongdoing; (b) the date of the incident; and (c) any other relevant information available to the complainant. The Assistant Secretary shall make a determination and respond to the complainant after investigation of the incident. If the complaint is not resolved following this investigation, the Assistant Secretary, at his discretion, may offer, in writing by certified mail, the complainant a hearing before a Department of Labor Administrative Law Judge, provided that the complainant requests such a hearing from the Assistant Secretary within 20 working days of the certified date of receipt of the Assistant Secretary's offer of a hearing.

[48 FR 15616, Apr. 12, 1983]